

TA Dennis Wong 9/22/16

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**City of Cupertino Revised Proposal to CEA
Distributed at the Table on September 22, 2016**

SECTION 8: INSURANCE COVERAGE

8.1. a Health - Medical Insurance

City agrees to pay an amount as set forth herein for medical coverage for employee and dependents through the Meyers-Geddes State Employees Medical and Hospital Care Act. For each participating employee, the City shall contribute **\$714.00 the maximum** towards premium costs per month **for health and dental** during the term of this agreement **as follows:**

1 st full month after CEA ratification and Council adoption of MOU	City Max Health Contribution	City Max Dental Contribution*	City Total Max Contribution
Employee	<u>733.39</u>	134.85	868.24
Employee +1	<u>1246.59</u>	134.85	1381.44
Employee +2	<u>1620.57</u>	134.85	1755.42

January 1, 2018	City Max Health Contribution	City Max Dental Contribution	City Total Max Contribution
Employee	<u>769.95</u>	134.85	904.80
Employee +1	<u>1308.92</u>	134.85	1443.77
Employee +2	<u>1701.60</u>	134.85	1836.45

January 1, 2019	City Max Health Contribution	City Max Dental Contribution	City Total Max Contribution
Employee	<u>808.45</u>	134.85	943.30
Employee +1	<u>1374.37</u>	134.85	1509.22
Employee +2	<u>1786.68</u>	134.85	1921.53

Required contribution amounts exceeding the premium contribution of the City are the responsibility of the employee. ~~In instances where the premium for the insurance plan selected is less than the city's maximum premium contribution, the difference will be added to the employee's bi-weekly compensation.~~ The City ~~will~~ no longer pays medical insurance cash back (excess of the monthly premium less the cost of the medical coverage) for ~~new~~ **any** employees ~~hired after July 1, 2005.~~

Effective July 1, 2010, employees that retire or resign from service with the City of Cupertino and who are not eligible for retiree medical benefits as defined in the Summary of Benefits can continue on the Cupertino medical and dental plans provided that they pay the

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premiums in full.

The City reserves the right of selection and administration as to deferred compensation plan(s).

If during the term of this agreement, modifications are made to the Federal tax code which would result in any of the medical insurance provided be subject to taxation, the contract will be re-opened for the purposes of adjusting the salary and medical benefits so long as it does not result in an increase or decrease in the total compensation.

If during the term of this agreement, new medical plans are identified that will be beneficial to the City and CEA, the contract will be reopened to discuss these plan options.

8.2 Dental Insurance

City agrees to pay \$78.26 per month for employees and their dependents.

8.3 Life Insurance

City shall provide life insurance and accidental death and dismemberment coverage for each employee in the amount of two and one half times annual salary to a maximum benefit of \$250,000. Employees may be eligible to purchase additional life insurance subject to the provisions of the insurance policy.

8.4 Long Term Disability Insurance

The City shall provide Long Term Disability (LTD) insurance for employees. LTD income protection coverage shall be up to \$7,000 of covered monthly salary. Employees may use sick leave and/or vacation leave to supplement lost salary during the 60 day elimination period.

8.5 Vision Care Insurance

The City shall provide Vision Care Insurance for employees and their dependents at a cost of \$14.94 monthly.

8.1.b Health Reimbursement Account (HRA)

~~Effective as soon as administratively possible, the City will establish a Health Reimbursement Account (HRA) to be used towards health related expenses as determined by the IRS. Effective the first full pay period after Association ratification and adoption of this MOU by the City Council, each eligible employee in this unit will receive an \$83.00 monthly contribution from the City into a Health Reimbursement Account (HRA) or a notional account until the HRA is established to be used towards health related expenses, consistent with the laws and regulations governing HRAs. The parties acknowledge that the use of these funds shall not occur until the HRA is established. The parties agree to meet and discuss HRA program implementation.~~

~~Effective the first full pay period in July 2014, each eligible employee will receive an additional \$80.00 per month contribution from the City for a total of \$163.00 per month into the Health Reimbursement Account (HRA).~~

City of Cupertino Proposal to CEA

Distributed at the Bargaining Table on April 18, 2016 *Distributed 4/18*

NEW Section 8.1.c

Effective the pay period that the first PEMCHA premium payments for plan year 2017, that the health deductions for employee payments towards those premiums shall occur on a bi-monthly basis consistent with CalPERS required PEMCHA payment schedule.

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